

Resolution No. 8-11

Resolution: To declare the official intent of the Mayor and Council to bond finance certain projects under U.S. Treasury Income Tax Regulation Section 1.150-2

WHEREAS, the Mayor and Council of Rockville (the "Council") intends to finance the acquisition, construction and equipping of certain facilities and equipment described on Exhibit A attached hereto (collectively, the "Projects") for use in the governmental functions of the City of Rockville, Maryland (the "City"); and

WHEREAS, the Projects are expected to cost approximately \$12,840,000 in the aggregate; and

WHEREAS, U.S. Treasury Income Tax Regulation Section 1.150-2 requires that in order to assure the eligibility of expenditures made by the City for reimbursement from the proceeds of tax-exempt obligations, the Mayor and Council generally must adopt an official intent in compliance with the such regulation within 60 days after payment of the expenditure; and

WHEREAS, the Mayor and Council desires to declare its official intent to reimburse the costs of the Projects with the proceeds of the City's debt in order to comply with the requirements of U.S. Treasury Income Tax Regulation Section 1.150-2 and thereby to assure the eligibility of expenditures made with respect to the Projects for reimbursement from the proceeds of tax-exempt obligations; and

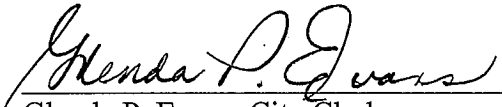
NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF ROCKVILLE, as follows:

1. The City intends to acquire, construct and equip the Projects.
2. The City reasonably expects that (i) it will issue bonds or other obligations to finance all or a portion of the costs of the Projects, and (ii) it may pay capital expenditures for the Projects prior to the issuance of such bonds or other obligations and reimburse such expenditures from the proceeds of such bonds or other obligations.
3. The maximum principal amount of tax-exempt bonds or other obligations that the City expects to issue for the Projects is \$12,840,000.
4. This Resolution shall constitute the declaration by the Mayor and Council of its official intent to reimburse the costs of the Projects with the proceeds of the City's debt for purposes of complying with the requirements of U.S. Treasury Income Tax Regulation Section 1.150-2 and thereby assuring the eligibility of expenditures for reimbursement from the proceeds of tax-exempt obligations with respect to the Projects.

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I hereby certify that the foregoing is a true and correct copy  
of a resolution adopted by the Mayor and Council at its  
meeting of March 28, 2011.

  
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Glenda P. Evans, City Clerk

**Listing of Potential 2012 Debt Issue  
Stated in FY2012 CIP  
EXHIBIT A**

Water Projects Fund	Account	Program Area	Debt Amount in CIP	Year(s)	Maturity
Water Main Rehabilitation	210-850-5C34	Utilities	3,083,000	2012	20 Years
Water Fund			Total FY 2012 Debt Issuance	3,083,000	
Sewer Projects Fund	Account	Program Area	Debt Amount in CIP	Year(s)	Maturity
Blue Plains Wastewater Treatment	220-850-1A45	Utilities	8,253,000	2012	20 Years
Sewer Rehabilitation	220-850-9G34	Utilities	1,504,000	2012	20 Years
Sewer Fund			Total FY 2012 Debt Issuance	9,757,000	
GRAND TOTAL FY 2012 DEBT ISSUANCE			\$	12,840,000	

ALL LEVEL PRINCIPAL SCHEDULES